

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 8, 2009
POSITION: Oppose
SPONSOR: Los Angeles County Office of Education and
Los Angeles County Education Foundation

BILL NUMBER: SB 244
AUTHOR: R. Wright

BILL SUMMARY: Childrens' Services: High-Risk Children

This bill would require the State Department of Education (SDE) to conduct a feasibility study on expanding priority enrollment in child care and development programs to specific groups of children. Specifically, this study would focus on priority enrollment for children from birth to five years of age who are or were in the foster care system, in relative care or reunification, homeless, or have a custodial parent in the foster care system, on probation or parole, or in a correctional or residential treatment facility. This bill would require the SDE to report the findings to the Administration and the Legislature by December 31, 2010.

FISCAL SUMMARY

This bill would result in additional, non-absorbable General Fund costs for the SDE of \$150,000 to \$175,000. Also, to the extent a study as proposed in this bill deemed it feasible to expand priority enrollments to new groups of children, it would likely drive Proposition 98 General Fund cost pressure in the tens to hundreds of millions of dollars annually for additional child care slots.

COMMENTS

The Department of Finance (Finance) is opposed to this bill for the following reasons:

- This bill appears unnecessary. Current law already provides for priority enrollment for many groups of eligible at-risk children, including, but not limited to, foster children, homeless, and neglected or abused children who are recipients of child protective services, or children who are at risk of being neglected or abused, upon written referral from a legal, medical, or social agency. Thus, children in any of the categories of focus in this bill may be able to access child care on a priority basis to the extent that they are at risk of abuse or neglect.
- This bill would result in additional General Fund costs to administer the study at a time of severe financial uncertainty. Additionally, it is not clear whether the study required by this bill would provide any significant new information other than to possibly quantify additional demand for child care services based on the bill's defined priority groups.
- The demand for subsidized child care already exceeds the supply and this bill could lead to fundamentally altering the focus of the state's child development programs away from supporting low income working families. Currently, the Centralized Eligibility List maintains a significant number of low-income working families waiting for child care services. Finance notes concerns that taking steps to expand priority enrollment for groups of children would, absent new funding, result in denying access to low-income working families. It would not be prudent or equitable to consider significant changes to programs that support low-income working families given the current economic crisis.

Analyst/Principal (0382) S. Swan	Date	Program Budget Manager Jeannie Oropeza	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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R. Wright

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SB 244

ANALYSIS**A. Programmatic Analysis**

This bill would require the State Department of Education (SDE) to conduct a feasibility study on expanding priority enrollment in child care and development programs to specific groups of children. Specifically, this bill would:

- Focus on children birth to five years of age who: 1) are in the foster care system; 2) previously were in the foster care system; 3) in relative care or reunification; 4) at risk of abuse, neglect, or exploitation; 5) are homeless; 6) have a custodial parent who is in the foster care system, on probation or parole, or in a correctional or residential treatment facility.
- Require the SDE to report the finding of the study to the Administration and fiscal and policy committees of the Legislature by December 31, 2010.

In the non-CalWORKs child care and development programs, current law provides first priority enrollment for neglected or abused children who are recipients of child protective services, or children who are at risk of being neglected or abused, upon written referral from a legal, medical, or social agency. A family receiving child care services based on the child being at risk of abuse, neglect, or exploitation is limited to three months unless the county child welfare agency certifies that care continues to be necessary, or if the child is receiving child protective services and the family is eligible and requires child care. Second priority is given to eligible families based on the lowest gross income adjusted for family size. The state superintendent of public instruction has the authority to grant specific waivers of the priorities for agencies that serve specific populations including children with exceptional needs or children of prisoners.

Currently, three- and four-year-old children are eligible for the part day California State Preschool (CSP) programs if the family is a current aid recipient, income eligible, or one whose child is a recipient of child protective services, or have been identified as being at risk of being abused, neglected, or exploited. In addition to the eligibility criteria for part-day CSP, eligibility for the full-day CSP requires families to demonstrate a need for full-day care. First priority for three and four year old children in CSP programs is identical to that of the general non-CalWORKs child care programs. Second priority is given to all eligible four-year-old children prior to providing services to three-year olds.

To promote continuity of care, current law allows a family enrolled in a state or federally funded child care program who would otherwise be terminated due to a change in income or need eligibility to be transferred to another state or federally funded program if the family is eligible prior to termination of services. Child care and development contractors may also exchange the family's existing enrollment with the enrollment of a family in another program provided that both families meet eligibility requirements. The transfer of enrollment may be to another program within the same agency or to another agency that administers state or federally funded child care programs.

B. Fiscal Analysis

According to the SDE, conducting a feasibility study would result in an estimated cost of \$150,000 to \$175,000 for a limited-term Program Consultant and related administrative costs. It is possible that a limited-term Associate Governmental Program Analyst will also be required to assist in the data management.

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012	Fund Code
6100/Education	SO	No		--	C	\$150 - 175		--	0001